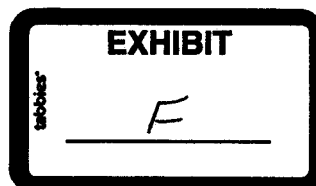


CO09-262  
Hurricane IKE  
Force Majeure Impacts

Cameron LNG

## Summary of Loss



Change Order Number CO09-262  
Hurricane Ike

AK/IHI – Cameron LNG Project

## Force Majeure Impacts

### 1. Executive Summary

- 1.1. Cameron LNG, LLC ("CLNG") and Aker Kvaerner / IHI ("AK/IHI") entered into a Turnkey Agreement (the "Agreement") on December 30, 2004. Under the Agreement, AK/IHI was to provide engineering, procurement and construction for a liquefied natural gas ("LNG") regasification facility (the "Project") that would operate at a designed gas delivery rate of 1.5 billion standard cubic feet/day ("bscf/d") at a location near Lake Charles, Louisiana (the "Site").
- 1.2. On September 10, 2008, when it became clear that Hurricane Ike would have an impact on the Site, AK/IHI shifted work priorities from regular scheduled work to securing the Project and Site based on forecasts available at the time. These activities included tying down all materials and equipment subject to wind damage, securing Site cranes, and meeting with subcontractors regarding hurricane preparedness. Upon completion of these activities on September 10<sup>th</sup>, AK/IHI evacuated the Site in accordance with a Mandatory Evacuation Order.
- 1.3. At approximately 2 A.M. on September 13, 2008, Hurricane Ike made landfall near Galveston, Texas, approximately 175 miles from the Site, with maximum sustained winds of 110 mph and heavy rains consistent with a Category 2 hurricane. In addition, Hurricane Ike caused an extensive storm surge that caused flooding over a wide area, including locations hundreds of miles from Hurricane Ike's landfall and including the Project Site.
- 1.4. A road block placed by local government authorities prevented AK/IHI from obtaining access to the Site until September 15, 2008. At that time, a limited workforce was able to begin clean up and assess the impact of Hurricane Ike, which had left three feet of brackish standing water on the Site.
- 1.5. On September 22, 2008, the Site was reopened after construction electrical power and water had been restored.
- 1.6. The Project was directly impacted by Hurricane Ike due to: (1) the cost of manpower and resources expended to secure the Site in anticipation of Hurricane Ike; (2) the costs incurred to mitigate and remediate damage to property due to inundation of brackish water from Hurricane Ike's storm surge; (3) the cost of manpower and resources expended to clean up the Site and assess the damage caused by Hurricane Ike; (4) the costs incurred to repair, replace or make good damaged property; (5) the additional costs for craft labor's efforts to mitigate and remediate the damaged property and complete the remaining project work; and (6) the additional costs caused by the encumbrance of the Project's construction schedule due to the additional work.
- 1.7. Hurricane Ike also impacted other construction projects in the area, such as Exxon Mobil's Golden Pass LNG terminal in Sabine Pass, Texas. The Golden Pass project site was also inundated with brackish water from

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### Force Majeure Impacts

Hurricane Ike's storm surge which resulted in serious damage to four LNG storage tanks. The Golden Pass project, which was originally scheduled for completion in mid-2009, is reportedly delayed for an unspecified period of time [Appendix 1].

- 1.8. Hurricane Ike also impacted operating LNG facilities in the area, such as Cheniere Energy's Sabine Pass LNG terminal in Cameron Parish, Louisiana. The Sabine Pass LNG terminal experienced damage to cabling and cable trays from the jetty platforms to the mooring sites and damage to a storage tank [Appendix 2].
- 1.9. This Force Majeure Change Order includes costs included in the Change Orders submitted or in process, for insurance purposes. AK|IHI has previously submitted Change Orders to CLNG's Builders All Risk ("BAR") insurers addressing some of the additional costs incurred by AK|IHI as a result of the damage caused by Hurricane Ike, including:
  - CO08-221 - Hurricane Ike September / October 08
  - CO08-231 - Hurricane Ike November 08
  - CO09-233 - Hurricane Ike December 08 - Misc. Freight and Testing
  - CO09-234 - Hurricane Ike December 08 - Insulations Inc.
  - CO09-235 - Hurricane Ike December 08 - AIC
  - CO09-236 - Hurricane Ike December 08 - IHI costs
  - CO09-237 - Hurricane Ike December 08 - AIC CM JV costs
  - CO09-238 - Hurricane Ike December 08 - ASUSI costs
  - CO09-239 - Hurricane Ike December 09 - AK Bowen and Moody Int'l Costs
  - CO09-241 - Hurricane Ike January 09 - Ebara Costs
  - CO09-242 - Hurricane Ike January 09 - PTP Costs
  - CO09-243 - Hurricane Ike January 09 - Lewco Costs
  - CO09-244 - Hurricane Ike January 09 - TASC Costs
  - CO09-245 - Hurricane Ike January 09 - IHI Costs (Tank TEs)
  - CO09-246 - Hurricane Ike January 09 - IHI Costs (Tank Gauges)
  - CO09-247 - Hurricane Ike January 09 - Insulations Inc. Costs
  - CO09-248 - Hurricane Ike January 09 - Ron Williams Costs
  - CO09-249 - Hurricane Ike January 09 - Dredge Line Lease Costs
  - CO09-250 - Hurricane Ike January 09 - Thermal Insulations Costs
  - CO09-251 - Hurricane Ike February 09 - AIC CM Costs
  - CO09-252 - Hurricane Ike February 09 - AIC Costs
  - CO09-253 - Hurricane Ike February 09 - ASUSI, Chemtex, SJC Materials and T Baker Smith Costs
  - CO09-254 - Hurricane Ike February 09 - James Const. Costs
  - CO09-255 - Hurricane Ike February 09 - CSM, Freight, and AMRI Costs
  - CO09-256 - Hurricane Ike February 09 - Chromolox, Flowserve, Lewco, Moody Int., MTB and Poyam Costs

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### Force Majeure Impacts

- CO09-257 – Hurricane Ike February 09 – Triad Costs
- CO09-258 – Hurricane Ike February 09 – Decision Strategies Inc. Costs
- CO09-259 – Hurricane Ike February 09 – Weeks Marine Costs
- CO09-260 – Hurricane Ike February 09 – CED Costs
- CO09-261 – Hurricane Ike February 09 – IHI, AK Bowen and AIC CM (Miscellaneous) Costs

AK|IHI has suffered additional costs from Hurricane Ike for the mitigation/remediation processes and management of the mitigation/remediation efforts in the amount of **\$70,311,400.13**. Supporting information for all of these costs is provided in sections 4 through 10.

The impacts and additional costs described herein are ongoing and will have long range impacts on the Project. AK|IHI may need to revise the additional costs based on further events.

1.10. Further, AK|IHI is entitled to be granted extensions of the Guaranteed Substantial Completion ("GSC") and Guaranteed Final Completion ("GFC") Dates. More specifically, AK|IHI is entitled to:

- An Extension of Time of Two Hundred Forty-Nine (249) calendar days to the GSC and GFC Dates as follows:
  - Guaranteed Substantial Completion Date: February 14, 2010<sup>1</sup>
  - Guaranteed Final Completion Date: August 13, 2010

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<sup>1</sup> GSC date includes 59 days of float available to AK|IHI in ST01: TSC (12/17/09) + 59 cds = 2/14/2010

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Hurricane Ike

AKJ|HI – Cameron LNG Project

## Force Majeure Impacts

### 2. Change Order - Basis of Recovery

- 2.1. Agreement Provisions Force Majeure Events: This request is for reimbursement of Hurricane Ike added cost impacts. The costs include estimates for future time periods.
- Hurricane Ike constituted “Abnormally Severe Weather Conditions” and is therefore considered a Force Majeure event as defined in the Article 2.3 of the Agreement.
  - In accordance with Article 16.2 of the Agreement, a notice **[Appendix 3]** was issued by AKJ|HI to CLNG on September 16, 2008. AKJ|HI subsequently provided CLNG reasonable evidence of the nature of the Force Majeure event **[Appendix 4]** on September 22, 2008, as required by Article 16.2 of the Agreement, but noted that this was a preliminary assessment of the impact of Hurricane Ike on the Project.

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AKJHI – Cameron LNG Project

### Force Majeure Impacts

#### 3. Background Information and Actions Taken

- 3.1. Pre-Hurricane Ike Preparations - The steps taken by AKJHI to prepare for Hurricane Ike are summarized as follows:
- On September 8, 2008, Hurricane Ike's expected path was into the Gulf of Mexico, with a projected "cone of uncertainty" from Brownsville, Texas to Mobile, Alabama.
  - By September 9, 2008, Hurricane Ike's expected path had changed to focus on southeast Texas, with Corpus Christi being in the center of the expected path. At that time, the primary impact to the Project was that a subcontractor gave notice of Force Majeure to allow its employees to return to their homes to prepare for the hurricane.
  - On September 10, 2008, additional subcontractors declared Force Majeure to allow their employees to return to their homes, many of which were in the Corpus Christi and Houston areas. The threat of the coming hurricane and the loss of subcontractor labor caused AKJHI to recommend to CLNG that the Project be closed at the end of the day.
  - Later on September 10, 2008, a mandatory evacuation order was issued for Cameron Parish. AKJHI, which had already begun securing the Site earlier in the day to close the Project, continued tying down all materials and equipment that could be subject to wind damage, covering materials to protect them from rain and wind damage, securing Site cranes, and meeting with subcontractors regarding hurricane preparedness in accordance with the Severe Weather Plan - Document No. CAM-CON-PRO-0017 Rev 1, issued June 20, 2006 [Appendix 5].
  - Reports on September 10, 2008, indicated that a storm surge of up to 6 feet was predicted for more than a mile inland in Cameron Parish. However, as the Site was located more than twenty miles inland and was protected by a 9 foot berm, there was little concern that the storm surge would impact the Project. Therefore, materials were secured at grade level in accordance with the Severe Weather Plan.
- 3.2. Effects of Hurricane Ike on the Project – The immediate apparent effects of Hurricane Ike on the Project Site are summarized as follows:
- After Hurricane Ike made landfall in the early hours of September 13, 2008, AKJHI was prevented from accessing the Site by a roadblock put in place by local government authorities until September 15, 2008.
  - As soon as the roadblock was lifted on September 15, 2008, AKJHI mobilized to the Project and began draining the approximately three feet of brackish water that covered the Site. The storm water surge was removed by both pumping operations and by opening drains on storm water basins on the

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### Force Majeure Impacts

perimeter of the Site. Brackish water also inundated the temporary off-site Warehouse/Storage area. Piping, valves and tank sensors had been submerged in the brackish water storm surge left by Hurricane Ike.

- The Site draining was completed on the evening of September 16, 2008. Beginning on September 17, 2008, AK|IHI initiated clean up operations and inspection of all materials on-site and in the off-site warehouse located within two miles of the Site.

#### 3.3. Efforts to Mitigate –AK|IHI's efforts to mitigate the impacts of Hurricane Ike on the Project are summarized as follows:

- Washing down all submerged pipe spools, control valves and manual valves at the Site and in the off-site warehouse in order to mitigate the impact of the hurricane's brackish water. More than 700 pipe spools were totally or partially submerged in the brackish water. The first step in cleaning the impacted pipe spools was pressure washing their interior and exterior surfaces in order to remove the brackish water residue. The second phase involved washing the pipe spools with low chloride well-water. This work commenced around September 17, 2008.
- AK|IHI retained a consulting metallurgist, SJC Materials and Engineering Ltd., who inspected the pipe spools impacted by the storm surge on September 24 – 26, 2008. The brackish water that contaminated the piping system was found to have caused damage, specifically pitting in numerous visible locations and, given the same conditions affected the non-visible areas of the piping system, it was believed that the same damage had occurred in the non-visible piping locations. Based on the metallurgist's recommendations, the impacted pipe spools, specifically the cryogenic 304L piping systems, were acid washed with a citric and phosphoric acid mix in order to remove any remaining chlorides in the pipe spools. The metallurgist's report was provided to CLNG in a letter dated October 17, 2008 [Appendix 6].
- Upon completion of the acid washing, all impacted piping spools were inspected boroscopically. That inspection revealed approximately 27 damaged spools; these spools were removed. However, subsequent testing revealed damage in spools was not identified through the boroscopic evaluation. AK|IHI concluded that the impacted pipe spools were not suitable for service. Therefore, AK|IHI recommended on November 6, 2008, that all pipe spools that had been submerged in the brackish water be removed and replaced [Appendix 7]. CLNG agreed with this recommendation and approved the re-fabrication of the over 700 effected pipe spools. The piping re-fabrication has been conducted both on-site and in off-site fabrication shops.
- In addition to the piping re-fabrication described above, the cryogenic pipe support shoes that were submerged in the brackish water were also found to have been damaged beyond repair and were removed and replaced.

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### **Force Majeure Impacts**

- More than 750 valves that were impacted by the storm surge were sent back to the manufacturers for inspection, repair, refurbishment and/or replacement as needed. These valves included the KSB/Amri valves, Poyam valves, Flowserve control valves and Petrol check/globe valves. In addition, Rotork valve actuators were also sent to the manufacturer for inspection, repair and refurbishment as required.
- The Boil Off Gas (BOG) Compressor cylinders, which were also submerged in the brackish water of Hurricane Ike's storm surge, were removed and sent back to the vendor for inspection, refurbishment and replacement, as needed. The vendor's inspection revealed that the 1<sup>st</sup> stage pistons required replacement and it is expected that these items will arrive on Site sometime during the second quarter of 2009.



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### Force Majeure Impacts

#### 3.4. Hurricane Ike Remediation/Mitigation Efforts – Additional Costs

Lack of available work - Immediate post-Hurricane Impact: Immediately following Hurricane Ike, the work force began returning to the Site and pre-Ike piping manpower levels were eventually achieved. However, the piping work available to the workforce in the weeks immediately following Ike was drastically different than before Ike. There were significant efforts to clean up the Site and area in general as well as restore the piping areas so that installation work could resume. However, due to the severity of the hurricane, significant quantities of piping had to be cleaned and inspected due to its immersion in brackish storm surge water. While a portion of the pipe craft personnel performed this work, the remainder, to mitigate much larger damages, were asked to perform miscellaneous tasks in an effort to utilize the existing work force before piping installation work could again resume at the same level of effort as before Hurricane Ike. Along with this task re-assignment effort, AK|IHI also reduced the weekly work hours.

- Loss of Experienced Manpower: In the weeks following Hurricane Ike, AK|IHI suffered a loss in some of the most experienced pipe fitters as the limited work available on the Site led to reduced working hours per week. The better craftsmen of the pipe fitters desired more work hours per week (as had been occurring in the pre-Ike period) and therefore left the Project for more lucrative offers elsewhere. This was more commonplace among the non-domestic workers, who generally represent the more skilled piping workers.
- Impact of Piping Re-fabrication: Despite AK|IHI's efforts to clean and wash the piping that was partially or totally submerged, damaged piping remained a critical problem. As previously stated, CLNG approved the re-fabrication of the impacted spools in mid-November. This had the immediate impact of severely limiting the available pipe installation work. AK|IHI mitigated this impact as it reduced the workforce and focused on on-site fabrication work (small bore socket welded pipe) but still suffered additional productivity losses in the weeks immediately following Hurricane Ike.
- Out of Sequence Work: AK|IHI's sequence of work, as occurring immediately before Hurricane Ike and as planned for remainder of the Project, has been and will be severely modified due to the damage caused by Hurricane Ike. As noted elsewhere in this document, Hurricane Ike has caused the re-fabrication of over 700 piping spools totalling over 7,000 linear feet of piping. The pipe spool fabrication schedule is driven by material availability and delivered to the site in the same sequence as re-fabricated, not according to the originally planned installation sequence. This means that where AK|IHI had planned to install pipe spools sequentially, it now could not and would now be forced to install piping in non-sequential fashion driven solely by material availability.

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Hurricane Ike

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### **Force Majeure Impacts**

Another impact from the out of sequence work involves the other trades and work scopes that are interdependent with the piping installation work. Where pipe installation was impeded by Hurricane Ike, AKJHI continued to prosecute the work in an effort to most productively utilize the other site trades. This has resulted in advancing the work in and around the pipe racks as well as equipment throughout the BOP. Consequently, when re-fabricated pipe spools are now available for installation, the installation locations are less accessible, creating additional work and effort to install the piping.

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AKJ|HI – Cameron LNG Project

### Force Majeure Impacts

#### 4. Contract Price Adjustment – Hurricane Ike Remediation/Mitigation Efforts – Additional Costs – AKJ|HI's Subcontractors

For purposes of this Change Order, AKJ|HI is presenting its added direct costs related to five (5) impacted subcontractors as represented by the projected loss of productivity for each from impacts due to Hurricane Ike.

##### 4.1. AIC Mechanical

AIC Mechanical's direct labor piping costs have been severely impacted by the Force Majeure events for the reasons outlined in Section 3.0. Since AKJ|HI maintained the tracking measures being used on the project, the post-Ike cost impacts could be captured. Specifically, AKJ|HI tracks man-hours and quantities installed on an on-going basis and have broken the information into pre- and post-Ike values. [Appendix 8]

For quantification of the additional cost impacts, a comparative analysis for pre and post-Ike periods for AIC Mechanical is appropriate and available given the data being collected on the pipe installation work.

For purposes of determining the added costs post-Ike, AKJ|HI has chosen week ending July 5 through August 31, 2008, as the appropriate pre-Ike period for comparison. This period of time was chosen since the work being performed and the productivity being achieved were representative of what was to be expected for the balance of the remaining work which was interrupted by Hurricane Ike, only to be resumed in a limited manner afterward as described in sections elsewhere within this document. For the period following the hurricanes, the weeks from September 27, 2008 through February 14, 2009, were used. Comparisons were made by dividing the amount of direct craft pipe fitter hours expended by the quantity of pipe installed in each period.

The data, as presented in the following tables, demonstrates that piping installation has been directly impacted by the damage caused by Hurricane Ike.

QTY INSTALLED PER PERIOD	
Pre-Ike	Post-Ike
07/5/08 to 08/31/08	9/27/08 to 2/14/09
16,738	10,684

PERIOD MANHOURS	
Pre-Ike	Post-Ike
07/5/08 to 08/31/08	9/27/08 to 2/14/09
89,647	136,109

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### Force Majeure Impacts

The following table presents the installation both before and after Hurricane Ike. It is based on the number of direct piping craft man hours required to install a foot of pipe. It is shown that AKJ|HI achieved a rate of **5.36 MHR/LF** in the immediate pre-Ike period and **12.74 MHR/LF** in the post Ike period

PRODUCTIVITY (MHR/QTY)	
Pre-Ike	Post-Ike
07/5/08 to 08/31/08	9/27/08 to 2/14/09
MHR/LF	MHR/LF
5.36	12.74

Based on the actual man-hours incurred for piping installation during these two periods, the additional costs are the result of the piping work taking more than double (12.74/5.36) the effort for each foot of pipe installed in the post-Ike period as shown in the preceding table. This represents that an additional 7.38 piping installation man hours are required to install piping (excluding supervision) following Hurricane Ike than in the period immediately preceding.

As of August 31, 2008, AKJ|HI forecasted 14,304 lineal feet of remaining piping to be installed. Considering the additional effort required (7.38 man hours per LF x 14,304 LF), AKJ|HI can now expect to expend an additional **105,615** piping installation man hours to complete the work.

The post Ike direct piping work force is composed of approximately 53% foreign national workers (third-party) [**Appendix 8**]. The total hours are therefore built up as follows:

Domestic workers (105,615 \* 47%) = 49,639 man hours  
Foreign nationals (105,615 \* 53%) = 55,976 man hours

In addition to the direct craft additional costs, there is the same impact to the indirect support personnel (superintendents, etc.). In the Post-Ike period, AIC Mechanical had incurred approximately 0.3 indirect support man hours for every direct craft man hour expended.

Using this ratio, 31,685<sup>2</sup> additional indirect support craft man-hours will be required to complete the remaining piping due to the damaged caused by Hurricane Ike. An additional cost for equipment, scaffolding, facilities and small tools [**Appendix 9**] is also applied, in order to calculate the actual amount due for AIC Mechanical.

<sup>2</sup> Equals (105,615) hours X 0.30 indirect/direct ratio = 31,685 additional indirect craft hours

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### Force Majeure Impacts

Description	Piping	Foreign National Welders	
Additional Direct Craft Hours	49,639	55,976	
Indirect Support Craft Hours	<u>31,685</u>		
Subtotal - Hours	81,324	55,976	[A]
<b>Rate Development</b>			
Base Rate (CO06-121, pg.11)	\$49.19	\$57.00	
Cost for equipment etc. [Appendix 9]	14.50	14.50	
X Total Rate	\$63.69	\$71.50	[B]
Total by Category	<u>\$5,179,526</u>	<u>\$4,002,284.00</u>	[C] = [A] x [B]
	<b>Total for AIC Mechanical</b>	<b><u>9,181,810</u></b>	

#### 4.2. Other Subcontractors

Other subcontractors have also been impacted by the damage caused by Hurricane Ike as well as the resulting need to re-fabricate pipe spools. AKIHI generally has lump sum subcontracts with these subcontractors.

An appropriate method for calculating added costs for these subcontractors is to use factors from the Mechanical Contractors Association of America publication titled "Change Orders, Productivity, Overtime". Specifically, page 63 of the publication lists various factors that can impact labor productivity [Appendix 10]:

- Stacking of Trades
- Morale and Attitude
- Reassignment of Manpower
- Crew Size Inefficiency
- Concurrent Operations
- Dilution of Supervision

Each factor has a range of potential impacts (minor, average, severe). After reviewing the impacts of Hurricane Ike, the most evident impact to subcontractors other than AIC Mechanical has been the reassignment of manpower and crew size inefficiency. AKIHI and its subcontractors have attempted to mitigate some of these impacts with smaller crews and shorter work weeks but not all impacts can be eliminated.

From the MCAA tables, the following impact ranges are presented for these factors

Factor	Minor	Average	Severe
Reassignment of Manpower	5%	15%	30%
Crew Size Inefficiencies	10%	20%	30%
Totals	15%	35%	60%

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### Force Majeure Impacts

Based on AK|IHI's and its subcontractors' mitigating actions, it would be appropriate to apply a **25%** loss of efficiency factor as reassignment of manpower was an average impediment and the crew size a minor one. Therefore, this factor has been used for the major subcontractors listed in the following sections that have been impacted by Hurricane Ike.

#### 4.2.1. Insulations, Inc.

As a result of the damage caused by Hurricane Ike, and in an effort to mitigate the damage, AK|IHI's insulation subcontractor, Insulations, Inc., has had to reduce its crew size and reassign its manpower as available work fluctuates and the piping is installed where possible, prior to receipt of the re-fabricated spools.

	Manhours	Source
Forecasted Manhours (mhrs)	204,567	Aug '08 Q&M Hours Report - <b>[Appendix 11]</b>
(Less) Actual Manhours	(74,174)	Aug '08 Q&M Hours Report - <b>[Appendix 11]</b>
Estimate to Complete - Pre Ike	130,393	[A]
(Times) by Post-Ike PRD Factor	<u>125%</u>	25% loss to crew size inefficiency and reassignment
<b>Total Proj. Mhrs w/Productivity Loss</b>	<b>162,991</b>	[B]
	<b>32,598</b>	= [B] - [A]
X Hourly Rate	44.38	Exhibit 2 of Subcontract - <b>[Appendix 12]</b>
<b>Total for Insulations</b>	<b>\$ 1,446,710</b>	

#### 4.2.2. Triad Electrical and Instrumentation (Triad)

In a manner similar to the insulation subcontractor, AK|IHI's electrical subcontractor has also been impacted and has had to modify its work to mitigate Hurricane Ike's effects. As Triad generally follows the piping work, it has had to re-sequence its work, including its planned sequence for completing systems prior to commissioning. AK|IHI is in receipt of a provisional claim submission dated March 2, 2009 in the amount of \$3,018,342.42. AK|IHI is including a 25% additional allowance against this provisional claim amount for a total of \$3,772,928.03 included herein.

#### 4.2.3. Adesta

As a result of the damage caused by Hurricane Ike, and in an effort to mitigate the damage, Adesta. AK|IHI's security system subcontractor has been forced to adjust its crew size performing the fiber optic cable installation as part of the site security package. As with the other subcontractors, a 25% inefficiency factor is appropriate in its forecasted work as a result of Hurricane Ike.

**Appendix 13** presents Adesta's proposal rates. Since the productivity will impact Adesta's field work, a composite rate can be developed from this proposal as follows:

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<u>Total Labor Cost</u>		<u>Totals Labor Hours</u>		<u>Hourly Rate</u>
\$208,778.50	/	2,394	=	\$87.21

	Manhours	Source
Forecasted Manhours (mhrs)	3,955	See [Appendix 13]
(Less) Actual Manhours	(2,875)	
Estimate to Complete - Pre Ike	1,080	[A]
(Times) by Post-Ike PRD Factor	125%	25% loss to crew size inefficiency and reassignment
<b>Total Proj. Mhrs w/Productivity Loss</b>	<b>1,350</b>	[B]
	270	= [B] - [A]
X Hourly Rate	\$ 87.21	See calculation above
<b>Total for Adesta</b>	<b>\$ 23,547</b>	

#### 4.2.4. Thermal Insulation

As a result of the damage caused by Hurricane Ike, and in an effort to mitigate the damage, Thermal Insulation ("Thermal", f/k/a Brock), AKIHI's tank insulation subcontractor, has been impacted by Hurricane Ike as the insulation blanket material was damaged during the hurricane. Thermal has had to revise its work plan to complete the insulation blanket material based on re-ordering the damaged material, in a manner similar to the piping installation work and re-fabricated pipe spools.

Appendix 14 presents Thermal's subcontract labor rate for installation work and an invoice with labor rates for a crane operator and rigger. The crew mix and composite rate for Thermal is:

#### Thermal Insulation

Crew Mix	25	Insulators	\$ 32.83 per hour	\$ 820.75
	1	Rigger	\$ 78.75 per hour	\$ 78.75
	1	crane operator	\$ 110.25 per hour	\$ 110.25
	27	Crew Total		\$ 1,009.75
		Composite Rate		\$ 37.40

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	Manhours	Source
Forecasted Manhours (mhrs)	39,417	Aug '08 Q&M Hours Report - [Appendix 11]
(Less) Actual Manhours	(7,490)	Aug '08 Q&M Hours Report - [Appendix 11]
Estimate to Complete - Pre Ike	31,927	[A]
(Times) by Post-Ike PRD Factor	125%	25% loss to crew size inefficiency and reassignment
<b>Total Proj. Mhrs w/Productivity Loss</b>	<b>39,909</b>	[B]
	<b>7,982</b>	= [B] - [A]
X Hourly Rate	\$ 37.40	See explanation above
<b>Total for Thermal Insulations</b>	<b>\$ 298,517.45</b>	

**5. The Encumbrance of the Project's Schedule Due to the Additional Work Necessary to Replace, Repair or Make Good the Damage Caused by Hurricane Ike: Mitigation/Remediation Process and Management of the Process**

In performing its analysis of the Hurricane Ike mitigation/remediation process and management of the process, AK|IHI used schedule CAM1 with data date 24 August, 2008 ("CAM1"), as the Project Pre-Ike as-planned schedule. It is important to note that this CAM1 schedule does not include six (6) calendar days of Hurricane Gustav impacts that are the subject of a separate document. CAM1 most accurately reflected AK|IHI's plan to complete the Work before Hurricane Ike impacted the Project.

In CAM1 (with consideration for Hurricane Gustav impacts), AK|IHI planned to achieve Project Target Substantial Completion ("TSC") on April 12, 2009. All impacts noted in this document are measured against this TSC date in calendar days.

In order to quantify the current impacts to the Project resulting from the damage caused by Hurricane Ike, the post-Hurricane Ike critical path was analyzed from the most current Project schedule ("Post-Ike Schedule"). The critical path in the Post-Ike Schedule is driven by the damage directly caused by Hurricane Ike which is demonstrated by the following graphic:

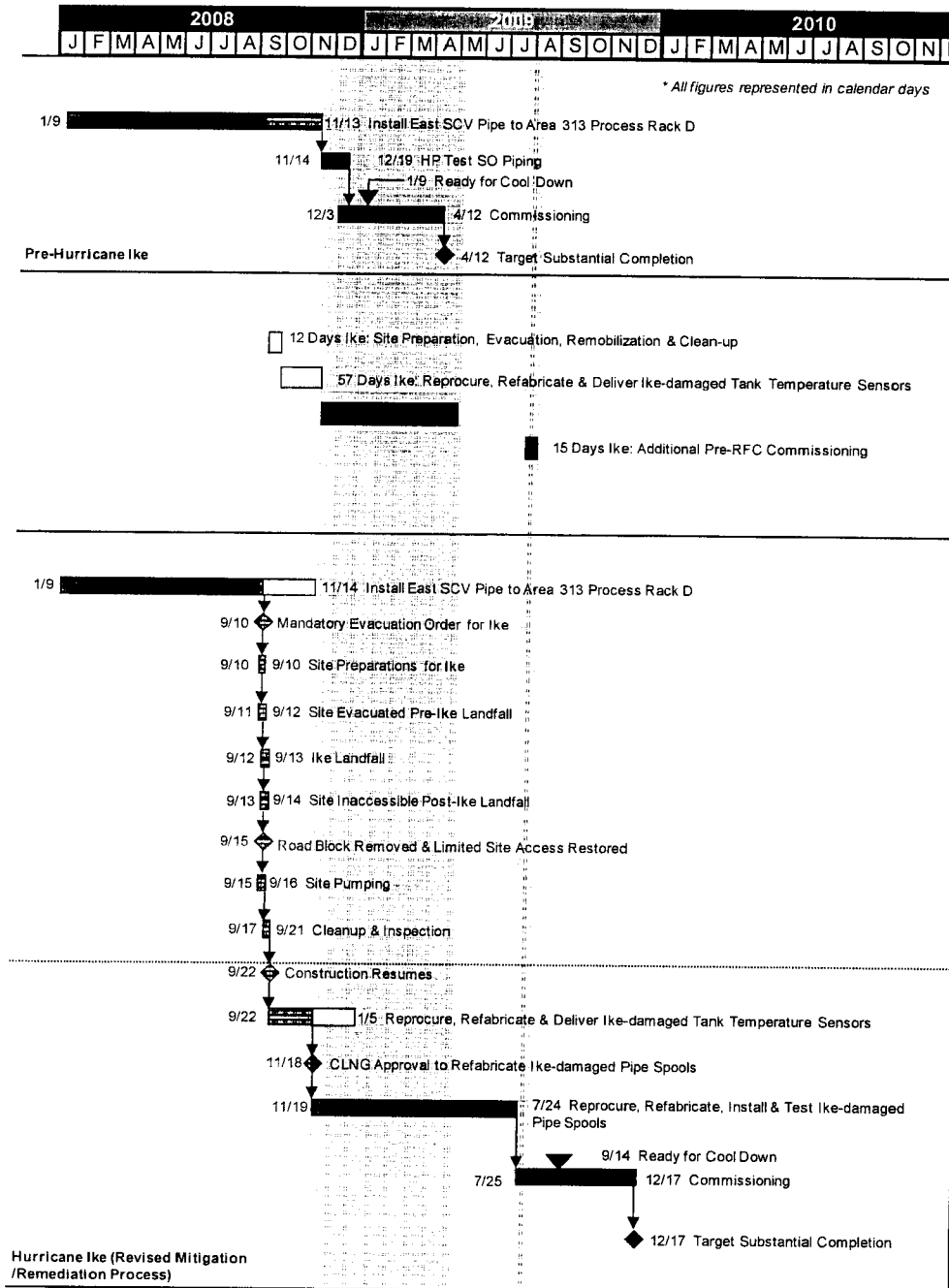


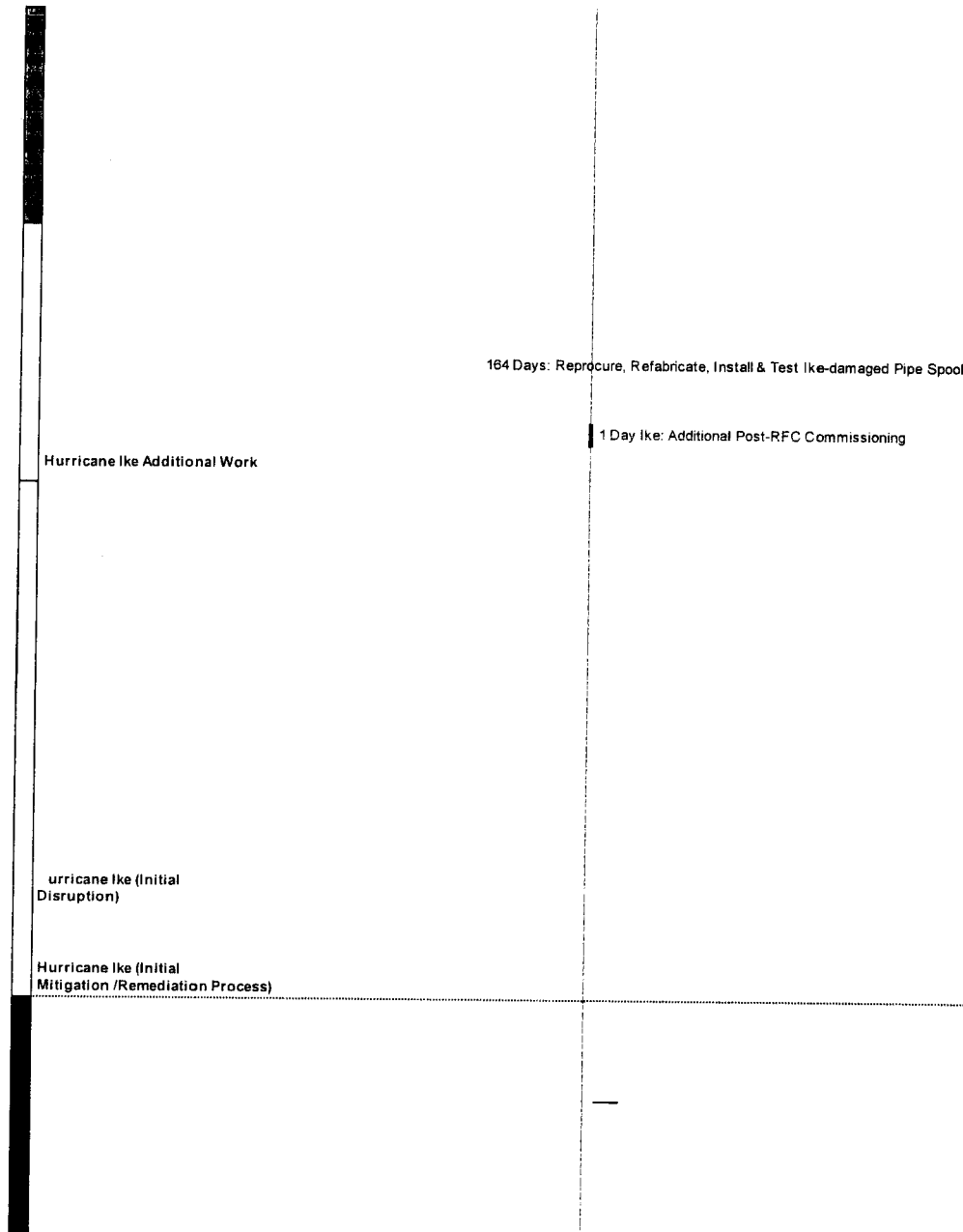
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## Force Majeure Impacts

### Pre-Ike vs. Post-Ike Critical Path Comparison





*Note: 14 September 2009 represents a P90 Ready for Cool Down date*

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### **Force Majeure Impacts**

The CAM1 schedule showed that the Tanks and the Balance of Plant (BOP) were critical or near critical. The analysis of the Post-Ike Schedule that follows describes the result of the damage caused by Hurricane Ike on the Project schedule.

#### **5.1. Initial Disruption: September 10 through September 21, 2008 (12 days)**

Initial Disruption: 10 September 2008 through 21 September 2008 - The Hurricane Ike preparation effort resulted in a one (1) day impact to the critical path as AKJ|HI prepared the site on September 10 for evacuation. The evacuation occurred at the end of the day and the site was inaccessible for four (4) days thereafter. After returning to the site, AKJ|HI required seven (7) days to clean the site and commence work as at least some work resumed on 22 September 2008. These efforts had a day for day impact on the critical path, as well as all other Work on the Project.

The CAM1 critical path ran through "Install East SCV Pipe to Area 313 Process Rack D". Since the Project was shut down, all activities in the schedule were impacted during this period. Therefore, while the critical path still ran through "Install East SCV Pipe to Area 313 Process Rack D" after Hurricane Ike, twelve (12) calendar days were added to the TSC during this period.

#### **5.2. Initial Recovery: September 22 through November 17, 2008 (57 days)**

Based on AKJ|HI's initial evaluation of the damage caused by Hurricane Ike, the initial plan for recovery indicated that the longest path to Project completion was driven by the requirement to replace the tank temperature sensors that were damaged by Hurricane Ike. The initial recovery plan for the replacement temperature sensors, scheduled for January 4, 2009, showed that after the sensors were onsite, finishing the balance of the tank construction was critical to Project completion.

While replacement of the tank temperature sensors initially appeared to be the major impact of the damage caused by Hurricane Ike, the Project subsequently incurred additional impact that was not anticipated when the initial recovery plan was undertaken. Therefore the initial recovery plan extends from 22 September 2008 to 17 November 2008.

Based on the impact of the initial recovery plan, the additional work resulting from the damage caused by Hurricane Ike would have required 57 calendar days to complete.

#### **5.3. Revised Recovery Plan: November 18 through Revised TSC (179 days)**

In early November 2008, AKJ|HI discovered pitting in pipe spools that caused a concern regarding whether the spools inundated by the brackish water deposited on the Site by Hurricane Ike ("Ike Spools"), which were previously believed to be acceptable for use because of the mitigation efforts undertaken by AKJ|HI, were in fact irreparably damaged by Hurricane Ike and, therefore, needed to be replaced.

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### Force Majeure Impacts

Based on evaluation and recommendation of a metallurgist, AK|IHl had undertaken a mitigation procedure that was expected to make the Ike Spools satisfactory for use in the construction.

The process that AK|IHl undertook, based on the metallurgist's recommendation included additional flushing of the spools and pickling with a mild acid solution. It was thought that this process would mitigate the damage caused by Hurricane Ike. Subsequent to the wash and pickling process, the Ike Spools were examined using a boroscope; the damage to the Ike Spools caused by Hurricane Ike was thought to be remediated and the Ike Spools were thought to be acceptable for use. However, in early November 2008 and during erection of the first Ike Spool to be put into place, an x-ray inspection of the pipe welding revealed damage (pitting) unobservable via boroscope. The x-ray revealed damage that was deep enough that it could potentially result in a catastrophic failure during operation of the plant.

After considering several options, on 6 November 2008, AK|IHl advised CLNG that it could not assure that the damage to the Ike Spools caused by Hurricane Ike was sufficiently remediated. AK|IHl recommended that the original Ike Spools be replaced. On 18 November 2008, CLNG agreed and authorized AK|IHl to proceed with refabrication of the Ike Spools.

As soon as CLNG approved the re-fabrication of the spools, AK|IHl revised the recovery plan to include the time required for the refabrication process and added erection and testing work. When the refabrication process and added erection and testing work were included in the schedule, the critical path shifted from the tank construction that was driven by the replacement of the temperature sensors to the pipe spool refabrication, erection and testing in Area 311 of the BOP. As shown in the table below, the revised recovery plan adds another one hundred sixty-four (164) calendar days to the schedule.

Hurricane Ike (commissioning impact) – At the time that the revised recovery plan was introduced into the schedule, AK|IHl recognized that remediation of the damage caused by Hurricane Ike would impact the pre Ready for Cool Down ("RFC") commissioning plan through the introduction of new activities and associated re-sequencing of the work. As shown in the table below, this additional commissioning scope has resulting in needing an additional fifteen (16) calendar days (15 days pre-RFC and 1 day post-RFC) beyond the anticipated Pre-Ike work plan.

#### 5.4. Summary of Impact to the Project Schedule Resulting from the Damage Caused by Hurricane Ike

The additional work required to repair, replace or make good the property damaged as a result of Hurricane Ike is two hundred forty-nine (249) calendar days. The following table summarizes the components of the recovery efforts:

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### Force Majeure Impacts

Cameron LNG Project Hurricane Ike - Mitigation/Remediation Process and Management of Process Schedule Change Summary	
<u>Activity</u>	<u>Schedule Change During Activity</u>
Ike: Hurricane Preparations	-1
Ike: Site Evacuated /Inaccessible	-4
Ike: Site Remobilization & Clean-up	-7
Ike: Assess Ike Damage to Tank Temperature Sensors & Prepare Action Plan	-6
Ike: Prepare & Issue PO to Refabricate Ike-damaged Tank Temperature Sensors	-4
Ike: Refabricate & Deliver Ike-damaged Tank Temperature Sensors	-47
Ike: Reprocure, Refabricate, Install & Test Ike-damaged Pipe Spools	-164
Ike: Additional Pre-RFC Commissioning	-15
Ike: Additional Post-RFC Commissioning	-1
<b>Total</b>	<b>-249</b>

\* All figures represented in calendar days

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### Force Majeure Impacts

#### 6. Contract Price Adjustment: Hurricane Ike Remediation/Mitigation Efforts – Additional Costs – AK|IHI

AK|IHI has incurred additional costs resulting from the need to repair, replace or make good the damage caused by Hurricane Ike [Appendix 15]. The site costs for this additional effort is calculated by multiplying the daily AK|IHI site running cost by the 249 calendar day impact as follows:

Ike Recovery	ACTUAL TO DATE AUGUST 2008	ACTUAL TO DATE MARCH 2008	\$ CHANGE FROM MARCH 2008	DAILY SITE RUNNING COST
AIC CM COMPONENT OF MECHANICAL CONTRACT	\$7,901,929.87	\$4,495,620.29	\$3,406,309.58	\$22,118.89
AIC JV CM SERVICE AGREEMENT	\$12,069,996.37	\$6,671,091.52	\$5,398,904.84	\$35,057.82
ASUSI JV FIELD SERVICE AGREEMENT	\$3,307,017.33	\$2,280,964.65	\$2,076,013.02	\$13,480.60
IHI JV SERVICE AGREEMENT				\$6,589.12
AK BOWEN JV SERVICE AGREEMENT	\$4,232,797.37	\$2,946,849.70	\$1,285,947.67	\$8,350.31
TOTAL SITE RUNNING COST	\$27,511,740.94	\$16,394,526.16	\$12,167,175.11	\$85,596.75

Ike Recovery for 249 calendar day impact @ \$85,596.75	\$21,313,590.75
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The impacts described in this document are ongoing and will have a long range impact on the Project. AK|IHI may need to revise the additional costs, in light of subsequent events.

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Hurricane Ike

AK|IHI – Cameron LNG Project

## Force Majeure Impacts

### 7. Vendor repair and Replacement Costs

The following vendors included in this Change Order have charged or notified AK|IHI of costs arising as a direct result of the damage caused by Hurricane Ike. The details of these costs are included in **Appendix 16**. Below is a summary of the work performed and services provided by these vendors.

#### 7.1 Sump Pumps - All Pump and Equipment

Following inspection and assessment, three (3) sump pumps found totally submerged in brackish water deposited on the Project site by Hurricane Ike were sent to All Pump and Equipment for disassembly, cleaning, inspection and reassembly.

#### 7.2 Insulation Blankets – ANCO Products Inc

ANCO Products Inc. replaced 405 rolls of resilient fiberglass blanket that were stored in the warehouse and damaged by Hurricane Ike's storm surge.

#### 7.3 Dredge Line Lease – Barbe

##### 7.3.1 Scofield, Gerard, Singletary and Pohorelsky

The Hurricane Ike storm surge deposited silt in the marine basin, severely disrupting the dredging work. AK|IHI has incurred legal fees associated with the associated increased lease costs for the dredge line.

##### 7.3.2 Louie Barbe

Additional dredging of the marine basin due to the Hurricane Ike storm surge, has resulted in increased lease costs from Louie Barbe, for the dredge line.

#### 7.4 BOG Compressor Pistons - Burckhardt Compression

The BOG compressor pistons, which were stored at the off-site warehouses, were submerged in the brackish water deposited at the warehouses by Hurricane Ike. Burckhardt Compression replaced three (3) piston crowns (upper), three (3) piston skirts, and three (3) piston crowns (lower).

#### 7.5 Heaters – Chromalox Inc

Heaters were stored at the warehouse and subjected to Hurricane Ike's storm surge. AK|IHI returned Eight (8) damaged "in tank" heaters and one (1) damaged control panel to Chromalox Inc. for repair or

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### Force Majeure Impacts

replacement as necessary, and incurred freight charges in connection therewith.

7.6 Gas Detectors and Monitors - Detector Electronics Corporation

Detector Electronics Corp. carried out inspection, repair and testing of electronic detector equipment that was stored at the off-site warehouses and damaged by Hurricane Ike and its associated storm surge.

7.7 Control Valves – Flowserve

Flowserve inspected and assessed twenty-one (21) control valves, stored on site awaiting installation at the time of Hurricane Ike. The valves were totally or partially submerged in the brackish water deposited on the Project site by Hurricane Ike. AKJ|HI returned the damaged valves for repair or refurbishment as necessary and incurred freight charges in connection therewith.

7.8 Glass Cloth (Nozzle Insulation) - Lewco Specialty Products Costs

Lewco replaced 75 rolls of glass cloth with aluminum foil backing that were stored at the project warehouse and damaged by Hurricane Ike's storm surge. AKJ|HI incurred freight costs for the shipment of the replacement materials.

7.9 Check/Globe Gate Valves – Petrol Valves USA

Petrol Valves USA carried out inspection and assessment of 114 valves that had been either installed in pipe spools or were stored in the warehouse and were totally or partially submerged in the brackish water deposited on the Project site by Hurricane Ike. The valves were returned to Petrol Valves for repair/refurbishment and returned to the Project site.

7.10 SCV Spare Sump Pump – (CED) Selas

The spare sump pump for the SCV was stored at the off-site warehouse and was damaged by Hurricane Ike and its associated storm surge. The pump was examined and found undamaged but Selas provided a replacement motor.

7.11 Butterfly Valves – Amri

Amri carried out inspection and assessment of Butterfly Valves welded into pipe spools that were totally or partially submerged in brackish water deposited on the site by Hurricane Ike. Amri refurbished the valves located at the warehouse as necessary, including replacing seats, seals and packing.



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### **Force Majeure Impacts**

- 7.12 Replacement Cable Tray and Electrical Fixtures - Consolidated Electrical Distributions Inc.

The cable tray and electrical fixtures were stored at the off-site warehouse and damaged by Hurricane Ike and its associated storm surge. Consolidated Electrical Distributions Inc. provided replacement cable tray and electrical fixtures.

- 7.13 In Tank Pumps – EBARA

Ebara carried out inspection and assessment of parts for In Tank pumps that were in storage at the warehouse following the partial submersion of the pumps in brackish water deposited on the Project site and at the warehouse by Hurricane Ike. EBARA provided a report on the required corrective actions to address the damage caused by Hurricane Ike and assisted with the cleaning and return of equipment for repair/replacement where necessary.

- 7.14 Tank Gauges – Enraf

The Tank Gauges were stored at the offsite project warehouse and were damaged when they were totally or partially submerged in the brackish water deposited by Hurricane Ike. The gauges required complete replacement.

- 7.15 Testing and Damage Assessment – MTB Quality Consultants

MTB Quality Consultants provided inspection/testing services for the pipe spools re-fabricated as a result of the damage caused by Hurricane Ike.

- 7.16 3<sup>rd</sup> Party Testing – NDE Technical Services

NDE Technical Services provided inspection/coordination services for repairs carried out on the valves returned to Poyam in Spain for repair.

- 7.17 Tank Temperature Elements (TE's) - Okazaki

The Tank TE's were stored at the offsite project warehouse and were damaged when they were totally or partially submerged in the brackish water deposited by Hurricane Ike. The TE's were returned to IHI in Japan for repair and then returned to the Project Site.

- 7.18 Ball Valves – Poyam

Poyam carried out onsite inspection and assessment of approx 418 valves already installed in the pipe spools and 165 valves stored in the warehouse that were totally or partially submerged in brackish water

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### **Force Majeure Impacts**

deposited on the site by Hurricane Ike. The valves were packed and returned to Poyam in Spain for repair and testing.

7.19 Cryo Shoes – Piping Technology Products

Piping Technology Products carried out inspection and assessment of Cryo shoes, which were stored on site and awaiting installation when the impact of Hurricane Ike resulted in their partial submersion in brackish water. Piping Technology Products provided a report on required corrective action to address the damage.

7.20 Pipe Spools – RamFab

Pipe spools were stored on-site and awaiting installation when the impact of Hurricane Ike resulted in their partial submersion in brackish water. RamFab carried out re-fabrication, painting and testing of replacement pipe spools.

7.21 Testing and Damage Assessment - Team Industrial Services

Team Industrial Services provided testing and damage assessment of the pipe spools located on-site and partially or totally submerged in the brackish water deposited by Hurricane Ike.

7.22 Freight, Duties and Handling Fees – Various

Various entities incurred freight, duties and handling fees associated with returning equipment damaged by Hurricane Ike to vendors for repair and testing.

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### Force Majeure Impacts

#### 8. Subcontract Repair Costs

The following subcontractors included in this Change Order have charged or are expected to charge AKJ|HI costs arising as a direct result of Hurricane Ike. The detail of these costs are included in **Appendix 16**. Below is a summary of the work performed and services provided by these subcontractors.

##### 8.1 Rip Rap/Stone – James Construction

Hurricane Ike and its associated storm surge caused damage to rip rap and stone in the marine basin. James Construction replaced the material that was damaged or washed away. In addition to these materials, James Construction provided equipment and operators to remove debris deposited by Hurricane Ike.

##### 8.2 Fire Protection System - VFP Fire Systems

Hurricane Ike and its associated storm surge damaged the Project's fire protection system. VFP Fire Systems provided labor and material for clean up and damage assessment and removed and replaced damaged material and equipment.

##### 8.3 Security System – Adesta

Hurricane Ike and its associated storm surge damaged the Project's security system. Adesta provided labor and material for clean up and damage assessment and removed and replaced damaged material and equipment.

##### 8.4 Security Fence – American Fence

Hurricane Ike and its associated storm surge carried debris that caused damage to the permanent perimeter fencing that had already been installed. American Fence removed and disposed of the damaged fencing and installed a new fence and fence components.

##### 8.5 Insulation and Cleanup - Thermal Insulations Inc

Thermal Insulations Inc. inspected insulation stored in the warehouse, disposed of the wet insulation and replaced it with new insulation. Thermal Insulations Inc. also provided general clean up assistance of the warehouse.

##### 8.6 Analyze/Revise Project Plans – Decision Strategies

Hurricane Ike and its associated storm surge directly caused severe damage to the project. In order to mitigate the damage caused by

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### Force Majeure Impacts

Hurricane Ike, AK|IHI retained Decision Strategies to analyze and revise project plans, and in particular the plans with respect to the timeframe for acceptance of LNG cargoes.

8.7 Site Clean Up - Insulations Inc.

Insulations Inc. have charged or notified AK|IHI of costs arising as a direct result the damage caused by Hurricane Ike. Insulations Inc. provided equipment and labor to assist in the clean up and removal of debris, deposited in the concrete troughs leading to the impoundment basin.

8.8 Dredging – Weeks

Hurricane Ike and its associated storm surge damaged the Project's marine basin by depositing additional materials, resulting in the need for an additional maintenance dredging to bring the Project and the work back to the pre-Ike condition.

8.9 Sendout Structure Siding and Roofing – CSM

Hurricane Ike and its associated storm surge caused damage to permanent siding and roofing that had already been installed on the Sendout Store. CSM removed and disposed of the damaged material and installed new material.

8.10 Removal, Reinstallation, Cleanup and Management Services – AIC Mechanical

AIC Mechanical provided construction management and labor directly related to Hurricane Ike, including, but not limited to, the following:

- Clean up of the Project site and warehouse;
- Assessment and repair of damage caused by Hurricane Ike;
- Removal of vendor components for inspection, repair, refurbishment or replacement;
- Re-installation of repaired, refurbished or replaced vendor components;
- Cleaning of pipe spools totally or partially submerged in the brackish water deposited on the site by Hurricane Ike (e.g., pre-wash with water to mitigate the effects of the brackish storm water).

8.11 Sample Probes - Technical Automation Services Corp. (TASC) Costs

Two Sample Probes were damaged when they were totally or partially submerged in the brackish water deposited on the Project Site by Hurricane Ike. The Sample Probes were returned to TASC for repair/refurbishment and then returned to the Project Site.

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### Force Majeure Impacts

#### 9. Damage Assessment and Remediation/Inspection/Testing Costs

The following subcontractors and vendors included in this Change Order have charged or are expected to charge AK/IHI costs arising as a direct result of Hurricane Ike. The detail of these costs are included in **Appendix 16**. Below is a summary of the work performed and services provided by these subcontractors.

9.1 Lab Testing – Chemtex

Chemtex provided labor and equipment to carry out lab tests on the storm water and spool samples, following Hurricane Ike's storm surge.

9.2 Sewer Cleaning - Hydrochem Ind.

Hydrochem Ind. provided labor and equipment to carry out sewer cleaning following Hurricane Ike's storm surge.

9.3 Evaluation and Management – Moody International

Moody International conducted inspections of the cryogenic valves to assess damage caused by Hurricane Ike.

9.4 Hydrotest Well Pump Rental – Andrews and Foster

Andrews and Foster provided a rental pump to assist in the cleaning of the pipe spools.

9.5 Testing and Damage Assessment - Quality Contract Services Inc.

Quality Contract Services providing testing and damage assessment of the pipe spools located on site and partially or totally submerged in the brackish water deposited on the project site by Hurricane Ike.

9.6 Piping Material Inspection – SJC Materials

SJC provided a metallurgist inspection and report on the process piping system and equipment to ascertain damages caused by Hurricane Ike.

9.7 Marine Survey – T. Baker Smith

Hurricane Ike and its associated storm surge damaged the project's marine basin by depositing additional materials, resulting in the need for additional marine surveys to be performed in order to evaluate and repair the damage.

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### **Force Majeure Impacts**

9.8 Testing Costs – Bodycote Testing Group

Bodycote Testing Group provided labor and equipment to carry out metallographic testing of Cryo Shoes for damage, after the Cryo Shoes were submerged in brackish water on site.

9.9 Acid Wash Pipe – PSC Reduction Technologies Group

PSC provided labor equipment and chemicals to treat stainless steel pipe that was damaged by the brackish water deposited by Hurricane Ike. PSC also provided disposal service for waste materials arising from the chemical clean.

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### Force Majeure Impacts

10. **Securing the site for Hurricane Ike, Evacuation of the site, and clean up and Remobilization of the Site.**

The following subcontractors included in this Change Order have charged or are expected to charge AKJ|HI costs arising as a direct result of Hurricane Ike. The detail of these costs are included in **Appendix 16**. Below is a summary of the work performed and services provided by these subcontractors.

10.1 Electrical and Instrumentation – Triad

Triad cleaned and re-tested PSV Valves and cleaned and inspected electrical systems, instrumentation and equipment that were located on-site and at the warehouse. Triad also removed vendor components for inspection, repair, refurbishment or replacement.

10.2 Commissioning - Triad

As a direct result of the impact of Hurricane Ike, Triad have incurred additional commissioning support costs.

10.3 Equipment and Operators - Ron Williams Construction Inc.

Ron Williams Construction Inc. provided equipment and operators to remove debris deposited on the Project site by Hurricane Ike.

10.4 Miscellaneous Construction Costs

AIC CM incurred additional costs for pump rental and associated pipe used to clean-up damage to the Project caused by Hurricane Ike and its associated storm surge.

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### Force Majeure Impacts

#### 11. Conclusion

**CO09-262**

#### **Summary**

Section	Description	Amount
4	Contract Price Adjustment – Hurricane Ike Remediation/Mitigation Efforts – Additional Costs – AK IHI's Subcontractors	
4.1	AIC Mechanical	\$ 9,181,810.00
4.2.1	Insulations Inc	\$ 1,446,710.00
4.2.2	Triad Electrical and Instrumentation	\$ 3,772,928.03
4.2.3	Adesta	\$ 23,547.00
4.2.4	Thermal Insulation	\$ 298,517.45
6	Contract Price Adjustment - Hurricane Ike Remediation/Mitigation Efforts – Additional Costs – AK IHI	\$ 21,313,590.75
7	Vendor Repair and Replacement Costs	\$ 5,030,495.34
8	Subcontract Repair Costs	\$ 7,891,584.71
9	Damage Assessment and Remediation/Inspection/Testing Costs	\$ 530,732.97
10	Securing the site for Hurricane Ike, Evacuation of the site, and clean up and Remobilization of the Site.	\$ 1,345,765.53
	<b>Sub Total</b>	<b>\$ 50,835,681.78</b>
	Contingency 30%	\$ 15,250,704.53
	AK IHI Markup 12% on third-party only	\$ 4,225,013.82
	<b>TOTAL</b>	<b>\$ 70,311,400.13</b>

Credit adjustments shall be made to this change order in respect of insurance payments actually made against costs detailed herein.

AK|IHI hereby requests a Change Order that grants:

- An increase in the Contract Price by \$70,311,400.13
- An Extension of Time of Two Hundred Forty-Nine (249) calendar days to the GSC and GFC Dates as follows:
  - Guaranteed Substantial Completion Date: February 14, 2010<sup>3</sup>
  - Guaranteed Final Completion Date: August 13, 2010

<sup>3</sup> GSC date includes 59 days of float available to AK|IHI in ST01: TSC (12/17/09) + 59 cds = 2/14/2010